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SUBJECT: STAFFDEL BRENNAN: GREETING THE NEW BOLIVIA

REF: A. LA PAZ 06
[1](#)B. LA PAZ 195

[1](#)1. (SBU) Summary: During their January 24-27 visit to Bolivia, staffdel Brennan (House International Relations Committee staff Ted Brennan, Kristen Gilley, Paul Oostburg-Sanz, Mark Walker, and Dan Getz) met with Vice President Alvaro Garcia Linera, newly-minted legislators and ministers, Santa Cruz civic sector leaders and others. They heard from Garcia Linera that the GOB would seek to address Bolivia's economic and racial inequalities while cooperating with the United States on counternarcotics. MAS legislators displayed a pragmatic approach towards future relations with the United States while Santa Cruz leaders expressed concerns about the preservation of Bolivian democracy. The staffdel effectively conveyed U.S. Congressional concerns about the future course of Bolivian democracy and the hope that a constructive USG-GOB relationship could be maintained. End summary.

VP Garcia Strikes the Right Tone

[1](#)2. (SBU) In his January 25 meeting with the staffdel, Vice President Alvaro Garcia Linera sounded most of the right notes. He said the electoral victory of the MAS was a triumph of democracy and remarked that the integration of indigenous people into power was comparable to the struggle for civil rights in the United States and to the overthrow of apartheid in South Africa. He said the main goal of the government would be to reduce the endemic poverty in which most Bolivians, particularly the indigenous, have lived for centuries, and noted that the state would assume a stronger role in promoting productivity. He welcomed international investment and assistance dedicated to that end and promised that disputes would be resolved legally. In this connection, he did not rule out the possible need to punish certain companies that might have broken the law.

[1](#)3. (SBU) Garcia reaffirmed President Morales' intention to seek an alliance with the United States against narco-trafficking and said the government was open to negotiating a mutually acceptable solution, even if some aspects of the current strategy would need to be modified. Echoing Morales' assertions in past meetings (refs), Garcia said the "cato" agreement in the Chapare (exempting 3,200 hectares from eradication) could be the basis for future negotiations, but that the Yungas would be more complicated. In response to questions from the staffdel, Garcia reiterated

that the government would not seek to "import the problems of other countries into Bolivia" and said he was well aware of international sensitivities surrounding the establishment of close ties with Iran. Bolivia will behave pragmatically in this respect, he averred, "we have no friends, just interests." Responding to an invitation from staffdel leader Brennan, Garcia said he and Evo would look forward to traveling to the United States. At the end of the meeting, Representative Dan Burton (R-IN) and Garcia Linera exchanged greetings by telephone.

MAS Legislators Display Pragmatism

¶4. (SBU) In a January 25 lunch with La Paz area senators and deputies and at an evening reception for newly appointed ministers and newly elected legislators, MAS ministers, senators and deputies turned out in large numbers. Dressed informally, most were very interested in exchanging views with U.S. officials. Many came armed with questions about U.S. policy, programs and prospective assistance. Judging from our exchanges with them, the majority of the new MAS ministers and legislators seemed more pragmatic than ideological and more interested in obtaining concrete benefits for their new constituents than in towing the MAS party line (whatever that is), and in seeing what we might be able to do to help them to this end.

¶5. (SBU) Sounding a familiar theme, some wondered why U.S. assistance seemed to be intercepted by intermediaries and why it didn't seem to make it to those who needed it most, including poor people in their particular constituencies. "You should give the help directly to the people," they exclaimed. Others inquired about U.S. counternarcotics

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policy, which they assumed was anti-indigenous and anti-coca.

Both events initiated a positive dialogue between USG officials and this crop of inexperienced government ministers and legislators, who seemed eager to engage and to dispel stereotypes on both sides.

Santa Cruz Worries

¶6. (U) Four members of the staffdel proceeded to Santa Cruz January 26 to receive briefings on USG counternarcotics efforts and to visit some alternative development projects. (Weather restrictions prohibited the planned visit to the Chapare region.) Brennan and Embassy personnel addressed a group of 200 agricultural workers in Yapacani which had benefited from USG assistance projects in return for their pledge to keep their region coca-free.

¶7. (U) The staffdel and Embassy officials heard from Santa Cruz political and business leaders over dinner that the upcoming Constituent Assembly represented the next major political challenge for Bolivia. Participants encouraged increased USG involvement in preparations for the Constituent Assembly, as they feared that President Morales would use the event to replicate Venezuelan President Hugo Chavez' efforts and further consolidate power while undermining Bolivia's democratic institutions. Business leaders noted the need for the establishment of a sophisticated think tank in Santa Cruz to elaborate proposals for the upcoming Assembly and solicited USG financial support for the effort.

MCA: Thumbs Up for Consultations, Thumbs Down for Conditions

¶8. (SBU) Paul Oostburg-Sanz, Democratic Deputy Chief Counsel for the House Committee on International Relations, met January 26 with George Gray, the drafter of Bolivia's Millennium Challenge Account (MCA) proposal; nine representatives from civil society, including miners, artisans and small business owners; Procosi, a network of 36 NGOs; and members of the donor community, including the IMF, the World Bank, CAF (Andean Development Corporation) and the Inter-American Development Bank to discuss their views of the

MCA consultative process and the proposal for roads and credit provision. Although civil society and NGO representatives all wanted to ensure funding for their own interest areas, they generally agreed that roads and credit are important priorities for Bolivia. Among the civil society, NGO and donor representatives, there was also a general consensus that the consultative process had been inclusive and exhaustive, as it had built on almost two years of national dialogue, which involved almost one percent of the population from different sectors and different regions.

¶9. (SBU) George Gray told Oostburg-Sanz and Econoff that he met with President Morales, Vice President Alvaro Garcia Linera and Carlos Villegas, Minister of Planning and Sustainable Development, the week of January 16. Villegas told Gray it would take some time to choose people to work on the MCA but said he and Morales would work together to appoint a team. Gray explained to Villegas that MCC Washington needs an announcement of a point person to move forward. Morales said the GOB would take a "wait and see" approach on the MCA and would not consider it separately from other issues. They expressed concern about the conditionality of the aid, particularly about the prospect that aid could be stopped midstream, even after being approved, by political developments in Bolivia. Oostburg-Sanz explained to Gray that the threshold for interrupting aid midstream is fairly high, such as a coup or a disruption in the democratic process. Gray expressed concern that Sacha Llorenti (GOB appointee as ambassador to the United States) would be named the MCA point person, which would present logistical challenges as the GOB would need a point person in Bolivia, not in Washington.

¶10. (SBU) Comment: The staffdel effectively conveyed U.S. Congressional concerns about the future course of Bolivian democracy and the hope that a constructive USG-GOB relationship could be maintained. For Bolivian government interlocutors, this was a first chance to hear from representatives of the U.S. legislative branch and an opportunity to gain a broader understanding of Washington

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concerns about Bolivian developments. End comment.

¶11. (U) The staffdel did not have an opportunity to clear this report.
GREENLEE